5/28/2008 5:47

The Morning Email: US & Germany

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Want something added? Let me know: jgoulding@ghco.com

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Quotes 1

32 nds

	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME
TUAM8	106.005	(0.002)	106.022	105.312	106.005	60,186	412,001	2y Futures
FVAM8	111.135	(0.007)	111.177	111.112	111.140	105,496	691,764	5y Futures
TYAM8	114.235	(0.025)	114.315	114.215	114.260	129,459	851,221	10y Futures
USAM8	115.165	(0.040)	115.280	115.130	115.210	25,880	281,307	30y Futures

US Futures Market

	Last	Net	Hi	Low	Open	SYM NAME
BUS02P	99.090	(0.2)	99.110	99.085	99.087	2y
BUS05P	99.172	(0.5)	99.215	99.160	99.165	5y
BUS10P	99.170	(3.0)	99.250	99.155	99.175	10y
BUS30P	95.155	(8.0)	96.000	95.130	95.275	30y
	Last	**Net**	**Hi**	**Low**	**Open**	**SYM NAME**
BUS02Y	2.502	0.00	2.528	2.469	2.523	2y Yield
BUS05Y	3.224	0.60	3.239	3.194	3.224	5y Yield
BUS10Y	3.930	1.50	3.942	3.898	3.921	10y Yield
BUS30Y	4.654	1.40	4.664	4.622	4.64	30y Yield

US Cash Treasury Market

Decimal

	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME
DGM8	102.99	(0.50)	103.01	102.94	103.00	280,698	566,879	Schatz(2Y)
DLM8	107.34	(5.00)	107.42	107.28	107.39	216,441	463,764	Bobl(5Y)
DBM8	112.53	(1.00)	112.66	112.40	112.63	472,693	787,038	Bund(10Y)

German Futures Markets

	Price	Yield			
	Last	**Last**	**Coupon**	**Maturity**	**SYM NAME**
T.US.DE030P0310***	97.92	4.215	3.000	3/12/2010	2 yr CTD
T.US.DE044P0113**	100.99	4.243	4.500	1/4/2013	5 yr CTD
T.US.DE036P0117**	95.89	4.323	3.750	1/4/2017	10 yr CTD
DEP2P*	97.95	4.215	3.000	3/12/2010	2yr OTR
DEP5P*	96.97	4.200	3.500	4/12/2013	5yr OTR
DEP10P*	97.47	4.325	4.000	1/4/2018	10yr OTR

German Cash Treasury Market

Notes

Y = Yield

DE = German Country Code

CTD = Cheapest to Deliver

OTR = On the Run

* OTR

** CTD

*** CTD & OTR

Quotes 2

This page provided a more detailed look at the quotes for the German Bonds

German Bonds are quoted in decimal, not 32nds.

	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
	Decimal							
DGM8	102.98	102.99	102.99	103.01	102.94	-0.50	Schatz(2Y)	German Futures
DLM8	107.34	107.34	107.34	107.42	107.28	-5.00	Bobl(5Y)	
DBM8	112.53	112.54	112.53	112.66	112.40	-1.00	Bund(10Y)	

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
DGM8	4.411	4.408	4.408	4.434	4.395		Schatz(2Y)	German Futures
DLM8	4.337	4.336	4.336	4.350	4.318		Bobl(5Y)	
DBM8	4.423	4.421	4.423	4.438	4.407		Bund(10Y)	

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE030P0310***	4.233	4.215	4.215	4.257	4.203		2 yr CTD	German Cash
T.US.DE044P0113**	4.252	4.243	4.243	4.267	4.221		5 yr CTD	
T.US.DE036P0117**	4.330	4.323	4.323	4.354	4.309		10 yr CTD	
DEP2P*	4.233	4.215	4.215	4.257	4.203	-6	2yr OTR	
DEP5P*	4.210	4.200	4.200	4.226	4.184	-14	5yr OTR	
DEP10P*	4.332	4.325	4.325	4.352	4.312	-22	10yr OTR	

	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
	Decimal							
T.US.DE030P0310***	97.92	97.95	97.95	97.97	97.88	-6	2 yr CTD	German Cash
T.US.DE044P0113**	100.99	101.03	101.03	101.12	100.93	-15	5 yr CTD	
T.US.DE036P0117**	95.89	95.94	95.94	96.04	95.73	-20	10 yr CTD	
DEP2P*	97.92	97.95	97.95	97.97	97.88	-6	2yr OTR	
DEP5P*	96.93	96.97	96.97	97.04	96.86	-14	5yr OTR	
DEP10P*	97.42	97.47	97.47	97.57	97.27	-22	10yr OTR	

Notes

Y = Yield

DE = German Country Code

CTD = Cheapest to Deliver

OTR = On the Run

* OTR

** CTD

*** CTD & OTR

Hedge Ratios - Bloomberg

US Financial Futures / Eurex Bond

	ZN	ZF	ZT
Bund (M)	1.88	2.92	3.45
Bobl (M)	1.02	1.59	1.88
Shatz (M)	0.41	0.63	0.75

US Treasuries v Eurex Bonds

	2y	5y	10y
Bund (M)	1.5	3.6	6.2
Bobl (M)	2.7	6.5	11.2
Shatz (M)	6.7	16.0	27.6

	Bund (M)	Bobl (M)	Shatz (M)
Bund (M)		1.84	4.63
Bobl (M)	0.54		2.52
Shatz (M)	0.22	0.40	

Note: Eurex products are pulled from Bloomberg and are static. Meaning, I only update them once in a while but always on rolls.

Yields & Spreads

US Cash Treasuries (OTR)

	Bid	Ask	Last
US2y	2.507	2.502	2.502
US5y	3.227	3.224	3.224
US10y	3.932	3.930	3.930

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	4.233	4.215	4.215
DE5y	4.210	4.200	4.200
DE10y	4.332	4.325	4.325

Spreads

	(Bps)
ZT/SCHATZ	-1.788
ZF/BOBL	-1.142
ZN/BUND	-0.780

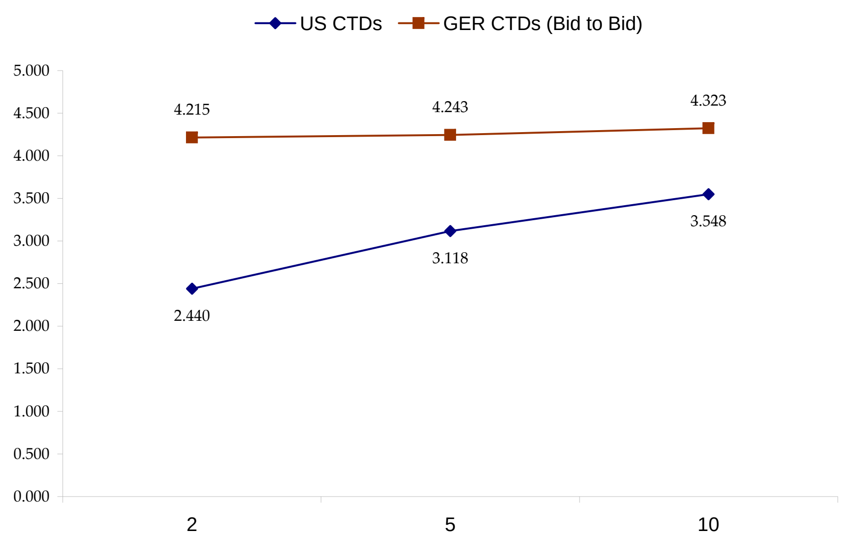
US Cash Treasuries (CTD)

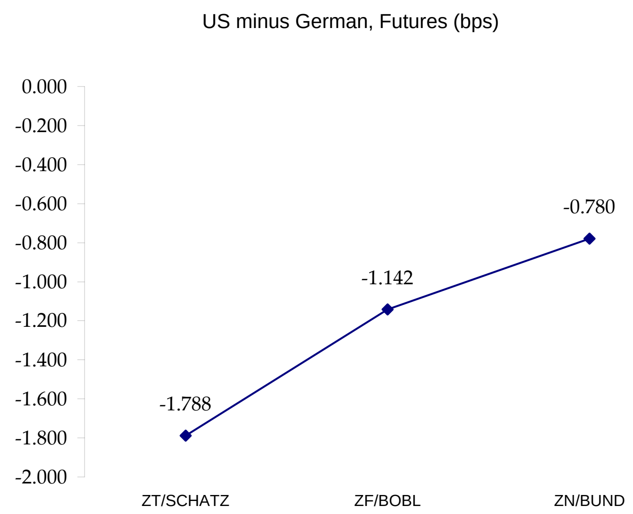
	Bid	Ask	Last
4.000 of 03/10	2.440	2.427	2.427
4.125 of 08/12	3.118	3.101	3.101
4.000 of 02/15	3.548	3.543	3.543

German Futures (CTD)

	Bid	Ask	Last
3.000 of 03/10	4.233	4.215	4.215
4.500 of 01/13	4.252	4.243	4.243
3.750 of 01/17	4.330	4.323	4.323

This chart shows the US futures, ZT, ZF, and ZN quoted in yield, then, comparing them to the German Futures, the Schatz (2yr), Bobl (5yr), and Bund (10yr). Cheapest to Deliver (CTD) are used as proxies for the yields.





Volume Questions & Global Bond Market Characteristics

When does the volume trade? Between what ours of the day? These are the two questions most frequently asked, by new traders to this contract. Of course number releases pertaining to the German economy will produce volume. Past that we can look at a chart of the Bund as determine when volume occurs.

Time	Volume Rises	Volume Drops
1:00 AM CST	x	
7:00 AM CST	x	
10:00 AM CST		x
11:00 AM CST		x
German Econ Release	x	
US Econ Release	x	

Bond Market Characteristics
From The Treasury Bond Basis Book 3rd Edition, by Galen Burghardt

Accrued Interest	Germany	Japan	UK
Coupon (date)	Annual	semi (20th)	semi
Ex-dividend (days)	no	no	yes (7)
Accrual basis	actual	actual	actual
Year Basis	actual	365	actual

Settlement time frame

Domestic	T+2	T+3	T+3
International	T+3	na	na

Trading Basis

Quotation	price	simple yield	price
Tick	decimal	bp	decimal
Tax (resident)	0	0	0
Price/Yield Method	ISMA	Simple	DMO

Repo

Accrual basis	actual	actual	actual
Year basis	360	0	365